

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING AND PUBLIC HEARINGS

June 19, 2007

The Council of the City of Horseshoe Bay held a Public Meeting and Public Hearings at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, June 19, 2007, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Karen Wines, Alderwoman
Richard Rantzow, Alderman
Jeff Robinson, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the Public Meeting to order at 3:00 p.m. with a quorum present. Johnny White from the Church at Horseshoe Bay led the invocation. Mayor Lambert led the pledge of allegiance to the United States Flag and the Texas Flag.
2. Comments from Mayor: Mayor Lambert announced that anyone who wanted to speak needed to sign up if they had not done so.
3. Comments from Aldermen: There were no comments from the Aldermen.
4. Public Comments: There were no public comments.
5. Presentation of Staff Five-Year Service Award: Mayor Lambert presented Jeff Isom with his 5-year Service Award and thanked him for his service to the City. He then asked General Manager Mike Thuss to introduce new employees, Jerry Lovelady, Public Works Director and Eric Winter, Development Services Manager. Jerry comes to HSB from the Special Utility District in Porter, Texas where he served as the General Manager. Eric has over 20 years experience in the Development Services area and has been working in the private sector.
6. Presentation by Ryder Warren on the MFISD School Bond Projects: Mayor Lambert welcomed Ryder Warren, Superintendent of Marble Falls schools. Mr. Warren said Marble Fall's growth trend continues, and they finished the school year with 3,980 students from

kindergarten through 12th grade. They anticipate starting the next year at over 4000. They are currently working on their budget for next year. The School Board has already approved five of the seven building projects that have been approved in the bond election.

20. Friends of the Marble Falls Library Contribution Request:

21. Contribution Policy:

Mayor Lambert stated there were about ten people signed up to speak on this item, and they have a spokesperson. He would like to move Agenda items 20 and 21 up on the agenda if the Council has no objections, in order to make it more convenient for those people. Council had no objections, and he asked Becky Robinson to speak. She introduced herself and stated she is the treasurer of the Marble Falls Library. She stated the Friends of the Marble Falls Library exist solely to provide financial support and volunteer services to the library. The Marble Falls Library is a County library and is financially supported by Burnet County as well as the cities of Marble Falls, Meadowlakes, Granite Shoals, the Friends of the Library and the public. Over 1,400 residents of Horseshoe Bay have Marble Falls Library cards and have used those cards in the past 12 months. Mayor Lambert thanked Ms. Robinson. He then stated there are contributions in the budget. The contribution policy was discussed last September and the decision was made not to adopt anything formally. Alderman Rantzow stated he felt the money raised in taxes should be spent for City functions and not be given away in the form of contributions. Alderman Babcock stated the most cities limit contributions to functions that would normally be performed by a city, but when someone is performing a function on the City's behalf, they could support it and would not have to be involved in it as a city. Alderman Rantzow stated he would like to make sure they are tightly controlled if the City is going to make contributions. Alderman Babcock agreed. Alderman Babcock then made the motion to adopt the policy with the following revision. Contributions will be made to organizations that accomplish a public purpose appropriate for cities to provide. If the City would be authorized to own and operate the type of entity or organization as a part of its municipal services, then a public purpose is likely to be present. It would be expected that a significant portion of the City's population be benefited by the activities and services of the organization requesting the donation. Alderman Bird seconded the motion. The motion passed unanimously (5-0).

Mayor Lambert then said they needed to consider the request from Friends of the Marble Falls Library for a contribution of \$5,000. Alderman Babcock made the motion to approve the \$5,000 contribution. The contribution was seconded by Alderman Robinson. The motion passed unanimously (5-0).

7. Items to be Removed from the Consent Agenda: Mayor Lambert asked if there were any items to be removed from the Consent Agenda. Alderwoman Wines stated she would like to talk about Item 8.g., the Capitalization Policy. Alderman Bird asked to talk about items 8.f., the Fiscal Policy and 8.g., the Capitalization Policy

8. Consent Agenda Items:

- a. Minutes of the May 15, 2007 Public Meeting
- b. Final Plats:

- i. Replat of Lot Nos. C-1 through C-13 of Escondido, Plat No. 1.10 to be known as Escondido, Plat No. 1.12, Llano County, Texas
- ii. Replat of Lot Nos. C-15 through C-35 of Escondido, Plat No. 1.8 to be known as Escondido, Plat No. 1.13, Llano County, Texas
- iii. Replat of Lot Nos. C-37 through C-49 Escondido, Plat No. 1.9 to be known as Escondido, Plat No. 1.14, Llano County, Texas
- iv. Replat of Lot Nos. C-51 through C-68 of Escondido, Plat No. 3.2 to be known as Escondido, Plat No. 3.3, Llano County, Texas
- c. Revision to the Compensation Policy Exhibit A to Include the Position and Salary Range for the Development Services Manager
- d. July 4th Fireworks Budget Amendment for Line Item Transfer from General Fund Contingency Expense to Fireworks Expense not to exceed \$7,500
- e. Approve Contract for Assessment and Collection Service between the City of Horseshoe Bay and the Llano County Tax Assessor and Authorize the General Manager to Execute the Contract

Alderman Rantzow made the motion to approve the remaining Consent Agenda items. Alderwoman Wines seconded the motion. The motion passed unanimously (5-0).

f. Fiscal Administration Policy

Alderman Bird said he would like to amend the Budget Assumption in the Fiscal Administration Policy being based on inflation. He said he feels growth and inflation are significant; however he would prefer it be based on how much water they anticipate producing instead of just inflation. It was decided Alderman Bird would work on the exact wording after the meeting. Alderman Bird then questioned Directives, Section 1.1.3 and 2.1.1. as to whether this was a goal or would be required to accomplish this year. Mayor Lambert said it was a goal. Alderman Babcock made the motion to approve the Fiscal Administration Policy with the two changes discussed. Alderman Rantzow seconded the motion. The motion passed unanimously (5-0).

g. Capitalization Policy

Alderwoman Wines said she felt the Capitalization Thresholds were too low and suggested raising them in order to keep from capitalizing a lot of small items. Mayor Lambert said the Tax Code is written to encourage investments by expensing and he thinks \$50,000 is too large based on the City's size and feels the City auditor would agree. Alderman Bird said he also questioned the levels. He clarified that the tax issues of Capitalization are non-issues to the City and asked what difference it made. Mayor Lambert said the General Accounting Principals state if it is a Capital Asset that you capitalize it. Alderman Robinson made the motion to approve the Capitalization Policy. Alderman Rantzow seconded the motion. The motion passed unanimously (5-0).

9. Lifestyle Committee Ordinance Recommendations: Mayor Lambert said there were three items presented at the last meeting and had been made public and could be considered for approval at this meeting. He then asked if there were any questions concerning these items.

b. Outdoor Burning Ordinance

Alderman Robinson asked about the times when burning is allowed. Alderwoman Wines asked if they are required to mow weeds surrounding the burn area in order to keep it from

getting out of hand. General Manager Thuss said the Fire Department is in charge of issuing permits and would require this prior to approving the permit if needed. Alderman Robinson made the motion to approve the Outdoor Burning Ordinance with the typographical errors corrected. Alderwoman Wines seconded the motion. The motion passed unanimously (5-0).

a. Outdoor Lighting Ordinance

Alderman Rantzow had a concern about Section II. (d) (13) that prohibits all uplighting. Jim Long with the Lifestyle Committee stated this should have been removed from the final draft. It was discovered the Council did not have the final draft and due to this the decision was made to take no action on this item until the next Council meeting. Alderman Babcock questioned whether the outdoor lighting requirement is the same in other subdivisions as in HSB. It was then decided to get input from other subdivisions concerning this ordinance. Alderman Babcock stated he thought the City should be the final authority on the issues and citizens always have the right to appeal to the Council. No action was taken on this item.

c. Litter/Sanitation/Unsightly Objects

Alderman Rantzow agreed with Alderman Babcock's concerns from the last meeting where garbage could not be left for pickup in trash bags, noting how many residences use trash bags when placing their garbage out for collection. He was also concerned about how requiring the use of trash cans would affect non-residents that have to leave prior to the day their trash is picked up being able to get their trash cans back to their house. Alderman Babcock stated there is also the option of using large trash containers that service several households.

Alderman Bird requested someone check with Allied Waste to verify the maximum size container they will pickup. Alderman Babcock said in Section IV. (g)(1) it states "The City may abate, without notice, weeds that have grown higher than forty-eight (48) inches and are an immediate danger to the health, life or safety of any person." He thought this was too tall and it was decided twenty-four (24) inches would be better. Alderwoman Wines added she felt the City Council should not be the final authority on weed control. It was decided to leave this with the Council at this time. Alderman Robinson asked whether commercial entities were covered under these restrictions. Section IV. (g)(6) reads "All garbage placed at the curb must be in an animal proof container." It was decided to change this to "All garbage containing any edible residue, placed at the curb must be in an animal proof container." Alderman Rantzow made the motion to approve the Health, Sanitation, Trash and Litter Ordinance with the two changes as discussed. Alderman Robinson seconded the motion. The motion passed unanimously (5-0).

d. For Discussion Only

i. Signs, Billboards or Advertising Objects

Aldermen Babcock and Robinson expressed concerns that this revision would limit other subdivisions to sign restrictions based on the requirements of HSB POA and The Resort. Alderman Robinson also stated he does not think The Resort should be exempt from City regulations on signs. Alderwoman Wines agreed. Alderman Babcock stated he would like to go back to the fundamentals of a Sign Ordinance without so many detailed restrictions. The Council decided it would be agreeable to address size, height and lighting in the ordinance; however color should not be restricted. It was decided this item would be placed on the next agenda.

ii. Sexually Oriented Business Ordinance

City Attorney Monte Akers said this ordinance is to establish a preemptive strike in the event someone comes to HSB and would like to open a Sexually Oriented Business, and then they will be required to comply with the ordinance. This will be on the July 10 agenda for consideration.

Regular Meeting Adjourned for a Recess: At 4:54 p.m., Mayor Lambert announced that the meeting would adjourn for a short recess.

Regular Meeting Resumed: At 5:01 p.m., Mayor Lambert reconvened the meeting.

10. Conduct a Public Hearing and Consideration of Application for Amendment to Zoning Ordinance for the Plats of Escondido, Plat Nos. 1.0 through 1.10, 2.1 3.1, 3.2, and Lago Escondido 4.1, Llano County, Texas: Mayor Lambert convened the Public Hearing for Item Nos. 10, 11, 12, 13 and 14 at 5:01 p.m. He asked if there were any public comments. There were none, and he recessed the Public Hearings at 5:02 p.m. Dean Blaine addressed concerns of Alderwoman Wines about restrictions on home offices. Alderman Bird asked about changing setbacks. Mr. Blaine stated, for instance the Deed Restrictions and the Zoning Ordinance do not allow front facing garages; however due to the shape of some lots this will not work, therefore the Architectural Committee does in some instances, grant a variance. When this is done, they also have to come to the City for a variance and Escondido would like to avoid this requirement by amending the Zoning Ordinance. Mr. Blaine also added there is a good stand of oaks in Escondido and they are also attempting to allow people to find the natural placement of the house on the lot and leave as many trees intact as possible. All commercial changes are to bring the Club facilities into compliance with the Zoning Ordinance by increasing the maximum square feet allowed. Section 3.10.6(b) should read "All Dwelling Units shall have a floor area of not less than three thousand (3,000) square feet and not more than nine thousand five hundred (9,500) square feet, exclusive of open porches, patios, garages, balconies and terraces." Notice of these requested changes were sent to all owners in the subdivision by certified mail. Alderman Robinson made the motion to approve the Amendment to the Zoning Ordinance with the correction of the one typographical error. Alderman Rantzow seconded the motion. The motion passed unanimously (5-0).
11. Conduct a Public Hearing and Consideration of Application for Zoning Amendment for the Siena Creek Subdivision, Horseshoe Bay for Plats known as Siena Creek Phase One and Siena Creek Phase Two, Llano County, Texas: This item is to rezone the area from Multi-Family to Recreational land in order to build a community pool. Alderman Babcock made the motion to approve the Zoning Amendment. Alderman Bird seconded the motion. The motion passed unanimously (5-0).
12. Conduct a Public Hearing and Consideration of Preliminary Plat of CK Ranch Tract, Phase One-B, in the City's ETJ, Burnet County, Texas: Mayor Lambert stated this is for a Preliminary Plat for this tract of land in the City's ETJ. Alderwoman Wines asked about a

drainage plan for the area and whether it had been addressed. General Manager Thuss stated on a project over 10,000 square feet the drainage is handled by LCRA and at this time City staff has not seen this certification. Alderman Babcock said usually the Council will not require this to approve a Preliminary Plat. Mr. Thuss said this is a requirement on the City's checklist for approval. Alderman Babcock suggested preliminary approval conditional upon receiving LCRA certification. Mayor Lambert stated the staff also had some questions that will have to be answered prior to final approval of the plat. Alderman Babcock made the motion to approve the preliminary plat. Alderman Robinson seconded the motion. The motion passed unanimously (5-0).

13. Conduct a Public Hearing and Consideration of Preliminary Plats:

- a. Replat of Lot No. N1010, Horseshoe Bay North, Plat No. N1.1 and Lot Nos. N3109 and N3110 of Horseshoe Bay North, Plat No. N 3.19 (HSB Blvd North & Hwy 2147)
- b. Replat of Lot No. 23115, Horseshoe Bay, Plat No. 23.4 to be known as Horseshoe Bay, Plat No. 23.44 (High Stirrup and Lost Spur)
- c. Replat of Lot 29, The Trail's End, Section Two-A, The Trails of Lake Horseshoe Bay, Llano County, Texas

Alderwoman Wines asked if Item 13.b. is considered golf course since it backs up to the driving range. According to Ron Mitchell the golf course is described by metes and bounds and that would mean this is considered golf course; however it is still R-6 and the minimum square footage requirement is 1400 square feet. Alderman Robinson made the motion to approve the three preliminary plats. Alderwoman Wines seconded the motion. The motion passed unanimously (5-0).

14. Conduct a Public Hearing and Discussion Regarding an Application for Amendment to the Zoning Ordinance and a Planned Development District by Ordinance for Zone 20, Lot Nos. 28047 and 28048, Horseshoe Bay, Llano County, Texas: Alderman Babcock introduced Sean Weiser the developer of the site and stated there are two lots currently zoned multi-family and Mr. Weiser is requesting changing these to commercial. This will be memorialized and approved in a Planned Development Ordinance. Mr. Weiser stated in Phase One they plan to build a grocery store of approximately five thousand (5,000) square feet and an additional three thousand (3,000) square feet that is unassigned at this time. They plan on saving all of the trees. There will be open areas and courtyards. Phase Two will be another building of six thousand (6,000) square feet. The fifty-six parking spaces is the total number required for both phases. Council requested they bring the Concept Plan with the final schematics along with the Planned Development Ordinance for consideration on the July 10 agenda. No action was taken on this item.

15. Zoning and Subdivision Ordinance Amendments: City Attorney Akers stated there are provisions in the current Zoning and Subdivision Ordinances that need to be corrected. The City staff is currently working with Alderman Babcock and Mr. Akers on identifying these and they will be addressed at future meetings. The first amendment would address the requirement to mail notices to all property owners in the affected area. State law basically requires that when you amend your ordinance to change boundaries or classifications, persons within two hundred feet of the affected area are entitled to personal mailed notices;

whereas when you do a large regulatory change that affects everyone in large districts, the law does not require you send personal mailed notices to each person that is affected. The City's current Zoning Ordinance has a provision that goes beyond what State law requires and requires mailed notice for a regulatory change that affects a specific zone. In order to make some of these changes the City would be required to mail approximately 1,800 notices. The City would like place an item on the July 10 agenda to eliminate this one provision in Section 2.30.2 of the City's Zoning Ordinance that goes beyond State law requiring mailed notice. Mayor Lambert asked the Council and staff to notify Attorney Akers of any additional changes they feel should be considered. No action was taken on this item

Regular Meeting Adjourned for a Recess: At 6:08 p.m., Mayor Lambert announced that the meeting would adjourn for a short recess.

Regular Meeting Resumed: At 6:15 p.m., Mayor Lambert reconvened the meeting.

16. General Manager's Report: General Manager Thuss presented his report to the Council, a copy of which is attached and made a part of these minutes. He asked the Council to note the large increase in building permits over last year. The work on plans for low water crossings gates and signs is progressing. He commended the Police, Fire and Utility departments for their work during the recent heavy rains. The Legislature has increased the amount whereby municipalities are required to obtain bids from \$25,000 to \$50,000 and the City may want to change its policy to the same. The State has also set some unfunded mandatory requirements that have to do with water conservation plans and would like to lower water consumption to an average of 150 gallons per person/per day. This will require the City to come up with a plan to accomplish this. The State has also initiated a mandatory energy conservation plan for cities that will require they reduce their energy consumption by 5% per year for the next three (3) years. City Attorney Akers said TML has a list on their website of the new legislation passed this year and his firm will send us a letter summarizing this.
17. Geo-Technical Consultant Support for the City: General Manager Thuss stated the Council has previously authorized ten (10) consultants that staff can go to on a work order basis to do small projects; however there are no geo-technical consultants on this list. Staff requests approval to add two firms to the list of authorized firms that do geo-technical. Alderman Rantzow made the motion to add Fugro Consultants, Inc. and Terracon Consultants, Inc. to the list of approved consultants. Alderman Robinson seconded the motion. The motion passed unanimously (5-0).
18. Takeoff and Landing Ordinance: Mayor Lambert said, after the helicopter crash several weeks ago, he felt the City needed to address this issue. After being contacted by members of the Council as well as citizens, he feels highly restricting the takeoff and landing in the City would be appropriate. General Manager Thuss suggested sending notices to property owners within 1,000 feet of the proposed location of a heliport. The suggestion was also made that a sign be placed at the location of the proposed heliport and if there is a POA, a letter be sent to the President whenever an application is received. The Council will be responsible for consideration of the permits. Alderman Babcock made the motion to approve

the ordinance with the changes as discussed. Alderman Robinson seconded the motion. The motion passed unanimously (5-0).

19. Speed Limits: Mayor Lambert said he felt the speed limit study was successful. Forty-one percent preferred the status quo and the other three options had almost equal responses. After discussion the decision was made to publicize the proposed changes to the speed limit in Applehead Island, Lighthouse Drive, Pecan Creek, The Peninsula and The Trails and to consider changing the speed limit in these areas to 25 mph at the July 10 Council meeting.
22. July 4th Fireworks: Mayor Lambert thanked the Resort and Ron Mitchell for co-sponsoring the display. He would like to place this on the July 10 agenda for discussion concerning the 2008 display. The City will also post signs notifying citizens there is now an ordinance banning the use of most fireworks in the City. This will also be posted on the City's website.
23. Escondido Bonds: Mayor Lambert updated the Council on the status of the Escondido Bonds. He said in the spring of 2005 Lake LBJ MUD and Escondido entered into agreement where up to \$5.5 million of Defined Area Bonds might be sold to repay Escondido for certain infrastructure. They would be District bonds and only payable from assessments on Escondido property. Later in 2005 the City incorporated and cities cannot issue Defined Area Bonds. The decision was made that the best solution would be to get a bill passed by the Legislature authorizing the City to do something similar in this instance. They spoke to Senator Troy Frazier and the Council passed a Resolution in December asking Senator Frazier to assist with the legislation. City Attorney Akers also helped. It was passed and will be payable solely from property in Escondido. Mayor Lambert and Alderman Babcock met with Dean Blaine, the Escondido attorney and a representative of Bank of America. Mayor Lambert has talked to Dan Wegmiller with Southwest Securities, the firm selected by the Mayor and Alderman Rantzow to be the City's financial advisor pursuant to the Council's authorization. Mayor Lambert feels confident Bank of America is the right firm to do this and they are now doing their due diligence at Escondido after which they will propose a structure of the transaction. This will be reviewed by both legal and financial representatives for the City and the Council will then receive a proposal of how the transaction could be structured and if approved will go to the Attorney General's office for approval. He believes there will be \$5.5 million worth of bonds and they will be solely payable by the property owners of Escondido. All property owners in Escondido were notified by mail of this action regarding the legislation and they will also be notified once it is finalized. No action was taken on this item.
24. Proposed Schedule Regarding FY 2008 Budget: Mayor Lambert suggested having the first budget workshop on July 9 beginning at 9:00 a.m., the second August 28 at 10:00 a.m. and a third September 6 at 10:00 a.m. The tax rate will need to be proposed at the July 10 meeting in order to meet the legal requirements. The rate will need to be high enough because the rate can go down after proposed, but cannot go up. The certified tax roll will not be ready by the July 9th and 10th meetings due to many appeals by property owners concerning their appraisals. By State law the Mayor serves as the City's budget officer, and he will propose

